

Herald INTERNATIONAL Tribune

Sensible Trade Policies

In trade talks last week with Japan, the Clinton administration turned from bullying to constructive negotiating. Instead of repeating threats to punish Japan for behavior that the United States unilaterally decides is wrong...

New and Old in Canada

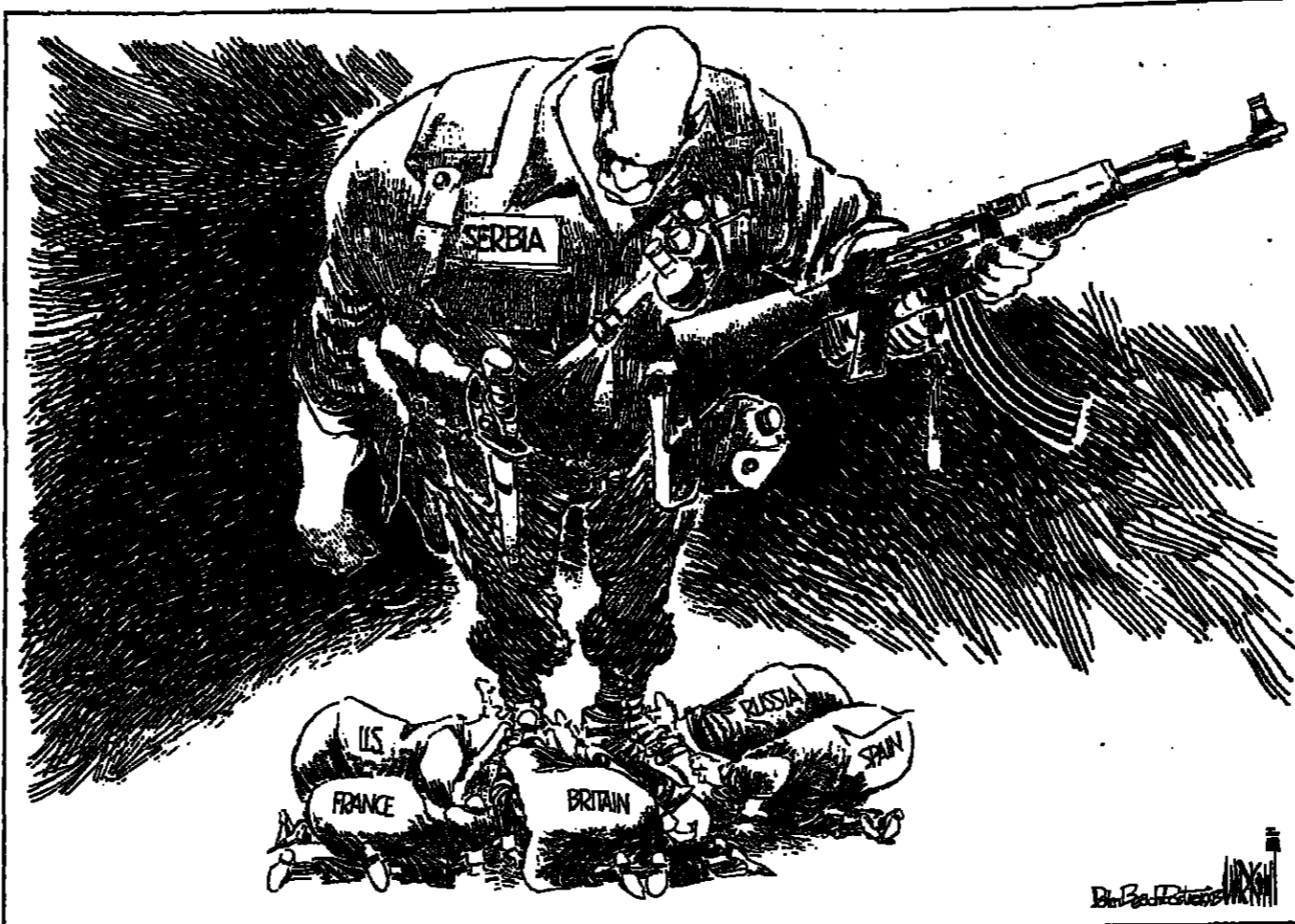
Getting ready for the autumn election, Canada's ruling Progressive Conservative Party now has chosen a new leader and prime minister. Brian Mulroney, who has held the job for nine years, has — as he would say — spent down his political capital and is bumping along at the bottom of the popularity polls.

More Women at the Top

Two more countries elected women as their prime ministers last weekend, but that is hardly news anymore. The list of women who head or have headed their governments grows by the year, and notably in countries where feminist movements are weak or nonexistent.

Other Comment

Empty Hopes in Somalia
The lesson of Somalia, and of the latest bloodshed there, is not that it is necessarily wrong to intervene in societies where anarchy has descended; but that it is misguided, and even pernicious, to act without a clear will to see the issue through to the end...



Bosnia Isn't Somalia, but Both Will Be Abandoned

PARIS — What Somalia in fact needs is neocolonialism, but it is not going to get it. The Somalis are likely to end in still deeper chaos as a result of the American and United Nations interventions of the past few months...

The Presidential Job Is to Change a Balky System

DEAR MR. PRESIDENT: At a holiday dinner at the new year, you challenged those present to do something for you: to tell you if we felt you were making a mistake. The invitation came in one of the most inspiring and uplifting short speeches I have ever heard of a public figure give.

Great Court Choice, Deplorable Process

NEW YORK — When I found myself wondering whether Ruth Bader Ginsburg had paid taxes for her household help and whom she had hired to care for her two children, now grown, I knew something had gone awry with the search for public servants in the Clinton administration.

Now Read The Rules To Japan

By Roy Denman
BRUSSELS — At regular intervals, like the dance of the hours in the great clock towers of Central Europe, there is movement about Japan. Some bewail its steadily rising trade surplus with the West. Others canvass solutions. Still others point out that there is nothing wrong with a trade surplus and that cutting imports would break the international trading rules and wreck the world trading system.

There is a fundamental antipathy against buying foreign goods. A token quantity of manufactured goods is allowed in, but anything contained in bulk should be Japanese-made. Japan regards itself as a separate world that buys from the globe (foreigner) only when it has to. The attitude is changing, but only marginally.

So what the leaders of the Western world need to say to Japan, at the highest level, is that a change in its national attitude is required, and it must be as big as some of the changes that followed the Meiji restoration. Japan needs to pay its full dues to the international trading club by opening up its markets to foreigners — and incidentally giving its workers the housing and living standards they have earned — in return for the access that Japan has had to Western markets.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO
1893: Cyclist Rejected
LONDON — Disappointment has been felt on its becoming known that Mr. Zimmermann, the famous American rider, has been refused a licence to compete in the championship races at Herne Hill, The National Cyclists' Union, who jealously maintain the distinction between professional and amateur riders, are making a dead set at what are called "makers" amateurs. It is not pretended that Mr. Zimmermann is in the pay of any maker, but the Cyclists' Union make a hard and fast rule, and have granted him a licence on condition he does not ride a bicycle of the type hitherto adopted by him. He refuses.

1918: Italian Applause
ROME — Speaking in the Chamber to-day [June 16] Signor Sappal said: "Yesterday we lost only two aeroplanes, compared with 32 lost by the enemy. In the name of this assembly I express gratitude to the Flying Corps." (Loud applause.) Signor Chiesa read a despatch from the Chief Aviation Command: "During the first day of the battle our aviation, despite unfavorable conditions, co-operated very actively in the battle. Five bombing operations were effected. Our attacks at low altitude completely demonstrated our superiority in the air." (Hearty applause.)

Try a Back-To-Save An...
EVER...
YUC...
S...
TO...
BP 53-9240

INTERNATIONAL HERALD TRIBUNE
KATHARINE GRAHAM, ARTHUR OCHS SULZBERGER
LEE W. HUEBNER, Publisher
JOHN VINOCUR, Executive Editor • WALTER WELLS, News Editor • SAMUEL ABE, KATHERINE KNORR and CHARLES MITCHELMOORE, Deputy Editors • CARL GEWIRTZ, Associate Editor

OPINION

Try a Back-to-Basics Tack To Save America's Cities

By E.J. Dionne Jr.

WASHINGTON — After the turn of the century, Socialist mayors were elected in a host of American cities, not so much because voters wanted to turn the places into red citadels but because local Socialists were regarded as more honest and efficient than either the Republicans or the Democrats.

Kojak liberals argue that the biggest problems confronted by the urban poor are created by violence and lawlessness.

cial workers, health administrators and the like) who served them. In the cities, the poor are disproportionately African-American and Latino. The social-service jobs were an important source of African-American upward mobility; they opened up just as racial barriers fell.

More traditional "basic services" help all classes, since rich and poor alike benefit from more cops on the beat and safer public parks. And despite recent gains, minorities have tended to have a smaller share of the basic services jobs.

This view accepts that poverty causes crime, but it also holds that crime causes poverty. High crime rates make life miserable for the law-abiding majority among the poor. Crime is also a barrier to economic development and job creation.

Kojak liberalism is not confined to older guys who are white ethnics and bald. But it may help to be a cop; drug czar Leo Brown and the Los Angeles police chief, Willie Williams, both African-Americans, are certainly part of the breed.

Continued debate about the Vance Owen plan has little relation to reality. As for that latest triumph of diplomacy, the safe haven plan, it is hard to imagine a better gift to Serbia's president, Slobodan Milosevic, it would solve the problem of dealing with unwelcome Muslims.

However it gets done, the priority of restoring order in the cities ought to engage anyone who cares about those trapped in poverty. If they were still around, my guess is that the sewer Socialists would be Kojak liberals, too.



"At the time of her appointment, I had not read Hillary's writings..."

Banana and Onion Time at Old Gitmo

By Tom Miller

TUCSON, Arizona — Looking for a base to close? Start with the U.S. naval base at Guantanamo Bay, Cuba. Notorious as the processing station for fleeing Haitians, the outpost serves no purpose that could not be served as effectively by Roosevelt Roads Naval Base in Puerto Rico.

Getting rid of it would save \$36 million a year and ease tension between the United States and Cuba. And since southeast-

ern Cuba lies in no congressional district, Americans would not hear any congressmen whining about the loss of jobs.

Since then, mine fields have sprouted on both sides. Cuba has neglected its mines, rendering many of them ineffective. U.S. mines are serviced regularly, resulting in occasional injuries to Marines and this spring to a Cuban who tried to cross into the base.

When I was there last fall, the people in this anti-imperialist bunker were easy to chat with. An artist at a storefront gallery talked painting. Young boys in karate outfits waved as they practiced kicks.

On a flower-lined porch, a retired bus driver from the base reminisced about working for the Americans. He is one of the many former employees caught in the stalemate. The U.S. Trading with the Enemy Act has, since 1962, forbidden the payment of pensions to retired Cu-

bans unless they abandon their homeland for another country.

When I spent some time with Cuba's Frontier Brigade, I said I had been given the dog-and-pony show at the base and that now it was their turn to give me "an espectáculo de mambo y rumba" — a song and dance. The troops obliged.

They spend their time in towers looking through binoculars at the Marines looking back at them. A large underground chamber is dominated by a bas-relief map of Gitmo, so detailed that buildings in residential housing and outposts in security zones were clear.

The Cuban military knows the base better than most Americans living there do. The food at the Frontier Brigade mess was no better or worse than that at Gitmo. The barracks were spit-polished clean. Extra acreage was used for raising bananas, yuca, onions, peppers, tomatoes — more a necessity than idle pleasure.

I asked one soldier how things have changed over the years. "Well," he said, "both sides have pulled back from the fence, so there are far fewer provocations."

What he did see in the future: "When we take over, we'll plant crops there."

After 90 years, it's time for the U.S. Navy to sail away.

The writer is author of "Trading With the Enemy: A Yankee Travels Through Castro's Cuba." He contributed this column to The New York Times.

LETTERS TO THE EDITOR

The Choices in Bosnia

The international community should face up bravely to the only two alternatives in Bosnia — arming and giving air support to the country's defenders, or acquiescing in a greater Serbia, with the completion of ethnic cleansing not only in Bosnia but in Kosovo and Vojvodina as well.

Continued debate about the Vance Owen plan has little relation to reality. As for that latest triumph of diplomacy, the safe haven plan, it is hard to imagine a better gift to Serbia's president, Slobodan Milosevic, it would solve the problem of dealing with unwelcome Muslims.

Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of uncollected manuscripts.

Looking the Other Way

Regarding "It's Their Balkan Quarrel" (Opinion, June 2): José Cuñeiro blurs significant distinctions, makes Bosnian Muslims look as guilty of atrocities as Bosnian Serbs, sidesteps the central fact of direct involvement by Serbia and implies that the conflict is not of world concern.

No wonder the European Community looks the other way when Sarajevo, Goradze and Maglaj are destroyed. With peacekeepers like these, the Bosnian Muslims do not need enemies.

Regarding the report "Will Clinton's Stumbling Ever End?" (May 24) by Thomas L. Friedman:

Blame the Filibusterers

When the Republicans staged a filibuster in the Senate last month you let them off much too lightly. Instead of scolding you appallingly underreacted to a filibuster by your writers seemed to interpret it as weakness in President Bill Clinton. Why not put the blame where it really lies: on a Republican leadership that is trying to discredit, malign and undermine the president at every turn?

Regarding "An Energy Crisis Stalls Washington" (Opinion, May 27):

Irremediable Damage

Regarding "So Biodiversity is Doomed? Let's Take a Cool Recount" (Opinion, May 14): The pretext of "no conclusive evidence" is often the excuse for inaction. The traditional reactionary problem-solving approach is: Take action only after serious damage. But late action can be more costly and some damage is irremediable, such as the extinction of species.

Regarding "Bobby Kennedy Did Care, and It Made a Difference" (June 1): Anthony Lewis deplores the divisions in American society, blaming, as usual, President Ronald Reagan. Most Americans believed the Reagan years to be an era of personal responsibility, pride in country and reward for hard work. Charitable contributions were at an all-

The Reagan Years

time high and unemployment low. Mr. Lewis calls these years "selfish" because people feel that they know best how to spend their own money. Like most liberals, he knows best how to cure the ills of the world — by spending other people's money.

Regarding "The Inside Story": As to why Americans do not eat inwards (American Topics, May 24) there is one simple reason: they are slimy and unappetizing! End of story.

Regarding "The Inside Story": As to why Americans do not eat inwards (American Topics, May 24) there is one simple reason: they are slimy and unappetizing! End of story.

Advertisement for Premiere Urgence. Text: "EVEN UNDER BOMBING, EX-YUGOSLAVIANS STILL WANT TO STAY CLEAN". Includes a photo of a man and a logo for "PREMIERE URGENCE AIDE HUMANITAIRE INTERNATIONALE".

Advertisement for International symbol for easy calling. Features a photo of a Sprint FONCARD and a list of international phone numbers for various countries.

MARKET DIARY

Computers Weaken On Profit Outlook

NEW YORK — U.S. stocks closed mixed Wednesday as concern about earnings buffeted another computer giant, Hewlett-Packard Co., and a report on housing starts prompted questions about the strength of the economic recovery.

Computer-driven buy orders fueled a late rally in blue chips that pushed the Dow Jones industrial average up 19.65 points to close at a session high of 3,511.65.

The computer-driven trading was tied to Friday's so-called triple-witching hour, when options and futures on stock indexes expire, traders said.

Advancing common stocks slightly outnumbered decliners on the New York Stock Exchange. Trading was active with about 264.5 million shares changing hands, up from 184.4 million on Tuesday.

Concern about the economy surfaced after the Commerce Department said housing starts increased just 2.4 percent in May after soaring 8.1 percent in April, even though mortgage rates are at their lowest level in 20 years. Though May's increase marked the second consecutive monthly rise, it fell short of the 3.1 percent rise analysts had widely predicted.

Computer-related stocks were the day's worst performers. Hewlett-Packard tumbled as low as 79% of 83%, and closed down 3% at 83%. Company officials told analysts in Frankfurt that orders in the first half of its financial year might not be sustainable in the second half, ending in October.

The forecast from Hewlett-Packard followed similar profit warnings in recent days from Apple Computer Inc. and Minnesota Mining & Manufacturing Co. The slump in Hewlett-Packard's stock prompted a decline in shares of other computer companies. Digital Equipment Corp. fell 1/4 to 43%, Microsoft Corp. dropped 1/4 to 91%, and Sun Microsystems Inc. declined 4/10 to 30%.

Adobe Systems Inc., which makes software used in Hewlett-Packard laser printers, fell 3/8 to 69. American Telephone & Telegraph Co. plunged 1 1/2 to 62 1/2 as the stock retreated from a 52-week high of 63 1/2, set on Tuesday. Price Co. surged 6 1/4 to 38 1/2 after Costco agreed to merge with its retail warehouse chain for \$2 billion in stock. The merger will create the largest U.S. warehouse club retailer. Costco gained 2/10 to 19.

When you're looking to buy dollars, a comment like that can convince you," said John Duffy, a trader at Bayerische Vereinsbank. Speculation that the Bundesbank will lower interest rates as soon as this week has helped drive the dollar higher. The dollar gained even though the Bundesbank left a key money-market rate unchanged. High German interest rates have kept the mark from falling against

The Dow

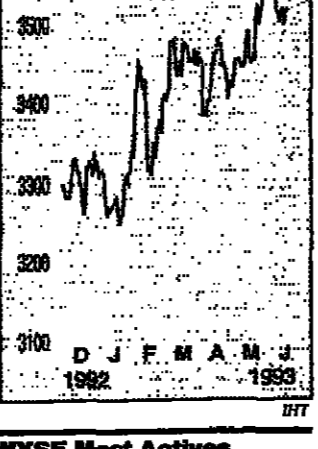


Table with columns: Vol., High, Low, Last, Chg. for NYSE Most Actives.

Table with columns: Vol., High, Low, Last, Chg. for AMEX Most Actives.

Table with columns: Vol., High, Low, Last, Chg. for NASDAQ Most Actives.

Table with columns: Vol., High, Low, Last, Chg. for NYSE Diary.

Table with columns: Vol., High, Low, Last, Chg. for Amex Diary.

Table with columns: Vol., High, Low, Last, Chg. for NASDAQ Diary.

Table with columns: One, High, Low, Close, Chg. for Dow Jones Averages.

Table with columns: High, Low, Close, Chg. for Standard & Poor's Indexes.

Table with columns: High, Low, Close, Chg. for NYSE Indexes.

Table with columns: High, Low, Close, Chg. for NASDAQ Indexes.

Table with columns: High, Low, Close, Chg. for AMEX Stock Index.

Table with columns: High, Low, Close, Chg. for Dow Jones Bond Averages.

Table with columns: Vol., High, Low, Last, Chg. for Market Sales.

Table with columns: Buy, Sell, Net for N.Y.S.E. Odd-Lot Trading.

Table with columns: Strike, Call, Put, Price for S&P 100 Index Options.

Table with columns: Class, High, Low, Prev. Close for EUROPEAN FUTURES.

Table with columns: High, Low, Last, Settle, Chg. for Food.

Table with columns: High, Low, Last, Settle, Chg. for Industrials.

Table with columns: High, Low, Last, Settle, Chg. for Metals.

Table with columns: High, Low, Last, Settle, Chg. for Stock Indexes.

Table with columns: High, Low, Last, Settle, Chg. for Spot Commodities.

Table with columns: High, Low, Last, Settle, Chg. for Dividends.

Table with columns: High, Low, Last, Settle, Chg. for U.S. FUTURES.

Table with columns: High, Low, Last, Settle, Chg. for Grains.

Table with columns: High, Low, Last, Settle, Chg. for Livestock.

Table with columns: High, Low, Last, Settle, Chg. for Metals.

Table with columns: High, Low, Last, Settle, Chg. for Industrials.

Table with columns: High, Low, Last, Settle, Chg. for Financial.

Table with columns: High, Low, Last, Settle, Chg. for U.S. Bills.

Table with columns: High, Low, Last, Settle, Chg. for U.S. Treasury.

Table with columns: High, Low, Last, Settle, Chg. for U.S. Treasury.

Table with columns: High, Low, Last, Settle, Chg. for U.S. Treasury.

Table with columns: High, Low, Last, Settle, Chg. for U.S. Treasury.

Table with columns: High, Low, Last, Settle, Chg. for U.S. Treasury.

Table with columns: High, Low, Last, Settle, Chg. for U.S. Treasury.

Table with columns: High, Low, Last, Settle, Chg. for U.S. Treasury.

Table with columns: High, Low, Last, Settle, Chg. for U.S. Treasury.

Costco, Price Set \$2 Billion Merger

SAN DIEGO (Bloomberg) — Costco Wholesale Corp. and Price Co. agreed Wednesday to merge in a \$2 billion stock swap, combining two of the largest warehouse-club retailers in the United States.

The new company will have 195 outlets in three countries and annual sales of about \$1.6 billion. Price Co. pioneered the warehouse club, which sells items in bulk to its members at low prices, when Robert Price's father, Sol, opened the first store in 1976. Costco opened its first unit in 1983.

Industrial Output Up 0.2% in May

WASHINGTON (AP) — U.S. output for its eighth consecutive increase, the government said Wednesday.

The gain in the Federal Reserve's industrial-production index was bolstered by an increase in oil and natural-gas drilling. It was held back by a decline in auto manufacturing. Separately, the Commerce Department said housing starts rose 2.4 percent in May to the highest level in five months. Construction increased in the South and Midwest, but slipped in the Northeast and West.

Shell May Sell Pesticide Businesses

LONDON (AP) — The Royal Dutch/Shell Group said Wednesday it was negotiating to sell its pesticide businesses to American Cyanamid Co. for an undisclosed sum.

The two sides hope by the end of the year to reach a deal that would create for American Cyanamid a crop-protection business with annual sales of about \$2 billion.

Halliburton Plans Managerial Layoffs

DALLAS (Bloomberg) — Halliburton Co., the largest U.S. oil-services and equipment company, said Wednesday it expected to lay off hundreds of managers in a restructuring of its energy services, the second-largest of its three businesses.

As part of a cost-cutting, Halliburton plans to combine its 10 energy segments into a single unit called Halliburton Energy Services.

Fed Official Sees Inflation Over 2.7%

WASHINGTON (AP) — A Federal Reserve Board governor, Lawrence Lindsey, told the National Association of Business Economists that he expected the U.S. inflation rate to exceed 2.7 percent this year.

The official Fed estimate for 1993 inflation is 2.7 percent. Mr. Lindsey and another Fed governor, Wayne Angell, have been actively pushing for higher interest rates in an effort to curb inflation.

For the Record

USAR Group Inc. reversed its expectations and forecast a loss in the second quarter as well as for the full year, based on weaker-than-expected revenues.

The Securities and Futures Authority, the British financial watchdog, fined the American securities house Goldman Sachs \$160,000 (\$242,400) for technical breaches, but cleared the firm of illicit dealings with the late tycoon Robert Maxwell.

ULSI Systems Inc. said a jury trial in California found the ULSI founder and president, George Hwang, not guilty of all charges alleging use of Intel documents in developing the ULSI advanced Math-CO family of coprocessor chips.

Dollar Leaps as Dealers Turn Negative on Mark

NEW YORK — The dollar soared to a three-month high against the Deutsche mark on Wednesday, spurred by reported comments from an unnamed German official who said he was not concerned with the mark's performance against other currencies.

The remarks, though ambiguous, were enough to send the dollar higher across the board because traders interpreted them to mean that a slump in the mark would not prevent the Bundesbank from cutting interest rates.

Investors were ready to buy dollars because of a growing perception that the U.S. economy is in far better shape than Germany's, traders said. "When you're looking to buy dollars, a comment like that can convince you," said John Duffy, a trader at Bayerische Vereinsbank.

Speculation that the Bundesbank will lower interest rates as soon as this week has helped drive the dollar higher. The dollar gained even though the Bundesbank left a key money-market rate unchanged. High German interest rates have kept the mark from falling against

Ciga Says Creditor Pact Near

MILAN — Creditor banks for Ciga Hotels Spa, controlled by the Aga Khan, are close to signing an accord that would restructure the company, a Ciga spokesman said Wednesday.

In addition, creditor banks for the Aga Khan's Fimpar Spa, which owns 50.1 percent of Ciga, are expected to resolve their legal dispute over a \$100 million line of credit once Ciga's banks sign the accord.

Details of the restructuring were not known, bank spokesmen said. The investment bank Mediobanca, which is preparing the Ciga restructuring plan for the 20 creditor banks, declined to comment.

Ciga has been trying to raise cash, either on the stock market or through the sale of several expensive hotels, for three years.

WORLD STOCK MARKETS

Table listing world stock markets with columns: Country, Index Name, High, Low, Last, Chg.

Table listing world stock markets with columns: Country, Index Name, High, Low, Last, Chg.

U.S. FUTURES

Table listing U.S. futures markets with columns: Section, Month, High, Low, Open, High, Low, Close, Chg.

U.S. AT THE CLOSE

Table listing U.S. market close with columns: Section, Month, High, Low, Open, High, Low, Close, Chg.

Balladur Defiant on Farm Pact

GATT Examines

NASDAQ

Balladur Defiant on Farm Pact

Compiled by Our Staff From Dispatches PARIS — Prime Minister Edouard Balladur said Wednesday that France would not accept the U.S.-EC Blair House agreement on farm trade...

Back from a showdown meeting in Washington with President Bill Clinton, Mr. Balladur won a standing ovation in the National Assembly...

Even some Socialists joined members of the conservative majority in applauding a sign of the broad support in France for the unwilling stance.

The draft agreement would curtail farm-export subsidies for wheat and some other products in the European Community.

France's powerful farm lobby vehemently opposes the plan, which is envisioned as part of a settlement of disputes holding up a new world trade pact under the auspices of the General Agreement on Tariffs and Trade.

He said "the farm phase, like the rest of the negotiations, has not been completed," and France was ready to resume discussions.

Mr. Balladur said if the Blair House pact were applied, farmers "would have no choice but to leave their land."

When the multilateral trade negotiations are completed, he said, "France reserves the right to accept or to reject" the result.

"The Blair House agreement is not acceptable in its current state," Mr. Balladur added.

He called on the Community to play an active and decisive role in the trade negotiations. A major focus must be on European unemployment, already at worrisome levels, he noted. (A.F.P.)

Europe's Gloom Deepens EC Has Grim Forecast and Few Ideas

By Tom Buerkle

BRUSSELS — The European Community laid out its gloomiest economic forecast in nearly a generation Wednesday, saying that recession this year and a limp recovery next year would drive unemployment to a post-World War II record of 12 percent.

Although the figure had been leaked earlier in the week, the announcement showed the depth of the problem that will confront EC heads of government at their semiannual summit meeting in Copenhagen on Monday and Tuesday.

Rand Labbers and Jean-Luc Dehaene, the Dutch and Belgian prime ministers, said after a meeting here Wednesday that growth and jobs would dominate the talks in Copenhagen. Reimers quoted Mr. Labbers as saying that "confidence may be cracking in Europe and the economy."

But national and EC leaders continue to insist there is little immediate help they can offer.

Henning Christophersen, the Community's economics commissioner, said there was no room for governments to spend their way out of recession, as their deficits were expected to swell to an unprecedented 6.25 percent of gross domestic product, on average, this year.

German Outlook Exudes Pessimism

From the previous quarter and 3.2 percent below the first quarter of 1992.

As the Western German economy, the recession accelerated in the first quarter, Mr. Rexrodt said.

Meanwhile, the Federation of German Industry said the economy was still declining and that unless the government changed its fiscal policies, the recession could last longer than expected.

"Even if the economic decline ends during the summer months, from industry's perspective it seems that a turnaround in the economy is no longer probable this year," the industry federation said in its monthly economic report.

The economic research institute Ifo said a recovery could begin in the spring of 1994, when the first effects of lower interest rates are expected to be felt.

Any further blotting of the government deficits would only drive interest rates up and lead to "new disturbances" in the European Monetary System, Mr. Christophersen warned.

The new EC forecast projects that overall economic output will fall 0.5 percent this year and rebound by 1.25 percent in 1994. The expected decline this year would be the first for the Community as a whole since 1975. It was as the Community's second sharp downturn and revision of its forecast for 1993, which began at a positive 2.5 percent a year ago and was cut to growth of 0.8 percent in January.

The revisions reflect the rapidly deteriorating economic climate in Germany, where output could contract by 2 percent or 2.5 percent this year, and in other countries that have tied their economic policies closely to Bonn's, led by France, Belgium and the Netherlands.

Mr. Christophersen said Europe's main hopes continued to lie in further reductions in short-term interest rates. EC sources said high German rates were not singled out for blame at Wednesday's meeting of the EC Commission, where the forecast was unveiled, but the reference was clear.

Although the Copenhagen summit meeting is unlikely to produce any new growth initiative, one EC source said there was a room for governments to move a greater portion of their spending into infrastructure projects such as roads and railways.

EC Agrees to Fund New Broadcasting Tailored for HDTV

LUXEMBOURG — European Community telecommunications ministers agreed Wednesday on a tone-down aid package to help the broadcast industry develop programming suited to high-definition television, diplomats said.

Breaking a one-year impasse, they agreed that the Community should spend 225 million European currency units (\$274 million) over four years to help broadcasters launch wide-screen television programs.

The amount is drastically less than original subsidy proposals, but more than the maximum amount Britain said it could accept at the last meeting in May.

The EC hopes the spending will help European electronics companies competitive with manufacturers in Japan and the United States in the race to develop HDTV, a technology providing razor-sharp pictures and digital sound quality.

Original EC plans proposed spending as much as \$57 billion by 1995 but Britain resisted and the other EC members agreed last month to lower the figure.

The plan was agreed upon within 90 minutes on Wednesday, prompting speculation that a change of British ministers had made the difference.

The Dutch public-works minister, Hanja Maj-Weggen, told reporters that the British junior trade minister, Patrick McLoughlin, had been much more constructive than

his predecessor, Edward Leigh. But Mr. McLoughlin said Britain had agreed because the plan had become more market-oriented and because he had won changes that ensured that British-based Japanese companies such as Sony could take part in television-related EC research.

Companies will be asked to provide some equivalent to EC spending, officials said. Research on HDTV in Europe is being led by the French concern Thomson SA and Philips Electronics NV of the Netherlands.

Although the Netherlands had been pushing for higher subsidies, Ms. Maj-Weggen said the package would be enough to ensure that a "critical mass" of programs were produced.

Investor's Europe

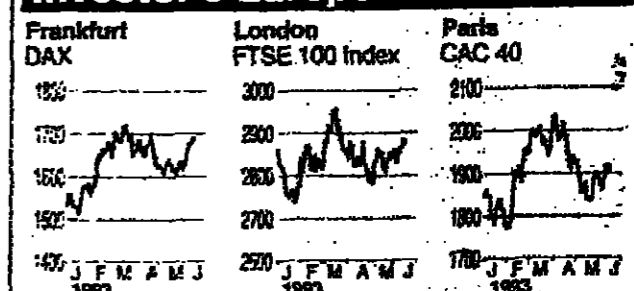


Table with 5 columns: Exchange, Index, Wednesday Close, Prev. Close, % Change. Includes data for Amsterdam, Brussels, Frankfurt, Helsinki, London, Madrid, Milan, Paris, Stockholm, Vienna, and Zurich.

GATT to Study Bid by Russia

GENEVA — The General Agreement on Tariffs and Trade set up a working party to study Russia's application for membership.

Russia's trade delegation said the request is a further step in its economic reform policy.

Japan, European Community members and the United States were among some 40 member states that supported Moscow's application.

The U.S. Trade Representative's Office here, said GATT membership should accelerate Russia's integration into the world economy.

Very briefly:

- Volkswagen AG will make a preliminary report in mid-July on a Spanish investment consortium's offer to build a car plant in the Basque town of Arrasate.
- The EC Commission cleared 150 million Deutsche marks (\$92.3 million) in loan guarantees granted by the Treuhandanstalt privatization agency to Sachsische Automobilbau GmbH, part of a Volkswagen project to set up modern car production in Eastern Germany.
- Compagnie de Suez's chairman, Gerard Worms, said the financial-services services company would show a modest profit this year after last year's loss of 1.87 billion French francs (\$341.9 million).
- Karstadt AG, Germany's largest department-store group, said it would have difficulty matching last year's earnings of 224.1 million DM.
- Britain's retail sales volume in May fell 0.2 percent from April but rose 2.3 percent from May 1992.
- Aer Lingus seeks 1,400 job cuts in its survival plan presented to the Irish government, industry sources said.
- Decks de France SA will bid for control of another supermarket chain, Societe Abasienne de Supermarchés, the French stock exchange said.

GATT Examines Banana Curbs

GENEVA — The General Agreement on Tariffs and Trade launched a formal investigation Wednesday into the legality of new European Community restrictions on Latin American bananas.

A meeting of GATT's executive council agreed to a request from Costa Rica and neighboring countries to examine EC import curbs due to come into force July 1. Latin American nations say this will cost them \$1 billion a year in lost markets and hundreds of thousands of jobs.

A separate GATT panel ruled last month that existing import barriers used in the Community to protect domestic producers of former colonies violated GATT's trade rules.

HONDA: Under Assault by Detroit's Minivans, Its Profits Are Crumbling

Continued from Page 11 In 1985, rose to \$11.280 in 1993. In 1990, an Accord sold for less than \$16,000. Now it sells for nearly \$19,000, more than any of its Big Three rivals. While Honda has never resorted to steep discounting, it is now offering a \$239-a-month lease on the Accord, a subsidized rate roughly equivalent to a \$1,100 rebate.

As Honda grew in the United States, its perspective changed from niche marketer to mass marketer, said John Wolkowicz, an analyst for Arthur D. Little Inc., of Boston. "Honda started looking at who its customers were and saw my 65-year-old uncle and an 18-year-old college girl and everyone in between." Models were designed to satisfy several demographic

groups, ensuring that they would excite none of them, Mr. Wolkowicz said. "The best example of this is the Accord. It is one bland machine. It does everything well, but it doesn't excite."

One bright light for Honda has been the Civic, which was redesigned for 1992. Sales have increased 30 percent this year. Accord sales, meanwhile, are down

TRAIN: Slowed by Bonn Red Tape

Continued from Page 11 Most of the test track in Luthen, built in 1984 and expanded in 1987, stands on prefabricated slabs of steel and concrete that are 5 meters (16 feet) high, permitting the ground underneath to be used for other purposes. The train levitates and accelerates by means of electromagnets built into the track.

Moreover, the maglev train is considerably quieter than the German ICE or the French TGV, its two main competitors using conventional high-speed rail technology, and uses less energy.

NASDAQ

Wednesday's Prices NASDAQ prices as of 4 p.m. New York time. This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

Main table of NASDAQ securities with columns for High, Low, Stock, Div, Yld, PE, etc. It contains a dense grid of data for various companies.

NYSE Wednesday's Closing

Table with columns: 12 Month High, Low, Stock, Div, Yld, PE, 1993 High, Low, Last, Chg. Lists various stocks and their performance.

Table with columns: 12 Month High, Low, Stock, Div, Yld, PE, 1993 High, Low, Last, Chg. Lists various stocks and their performance.

Table with columns: 12 Month High, Low, Stock, Div, Yld, PE, 1993 High, Low, Last, Chg. Lists various stocks and their performance.

Table with columns: 12 Month High, Low, Stock, Div, Yld, PE, 1993 High, Low, Last, Chg. Lists various stocks and their performance.

TACTICS: A Subtle Workplace Slowdown

Continued from Page 11
today's competitive world, no company saddled with employees who carry out their tasks only routinely, and without initiative, can make money for long.
So far, the result is inconclusive. What is clear, though, is that a lot is at stake in Decatur. Reflecting the importance of in-plant resistance, the AFL-CIO has endorsed the strategy. If the unions win, labor stands to regain some of the bargaining power it lost in 1981, when America's air-traffic controllers struck and President Ronald Reagan replaced them en masse. The outcome could also have implications for employers and workers across the United States in nonunionized workplaces.
Citing the harsh realities of a weak economy and global competition, employees have been asking more from workers — who have given in, fearful they might otherwise lose their jobs. But at some point, say labor economists and others who study the workplace, management starts to lose something in worker loyalty, initiative and cooperation for all that it might gain in lower labor costs and more flexible work rules.
Getting both sides to agree on where that point is could be the big labor-management challenge of the early '90s — with a miscalculation likely to be costly.
"Workers almost always see a way to do a job better," said Richard Freeman, a Harvard labor economist, "and passing up these opportunities in time becomes damaging for companies and the economy."
Not surprisingly, the plant manager at Decatur, Gary Stroup, insists that the battle is not even being fought. "This is Middle America," he said, "for a union 'to come and ask these people not to do their jobs fully is to go against the work ethic and their moral fiber."
But the union is doing just that, said Larry G. Solomon, president of the United Auto Workers local here that represents Caterpillar employees.
The resistance appears to be gradually reducing efficiency at both Caterpillar and Staley, although the companies deny union claims that slower production has caused a delay in site filling of customer orders.
The resistance being tested in Decatur could be affected by what is happening in Washington. President Bill Clinton is trying to restore to workers some of their power to strike, once again making a strike a viable alternative to the slowdown. A bill that would outlaw the siting of permanent replacements for strikers has been sent to the floors of the House and Senate, and the House might act this week.
But for the moment, Caterpillar and Staley, having failed to win union agreement to their proposals, have imposed them unilaterally, calling their actions "implemented-contracts." The companies argue that despite the changes they made, benefits and pay — averaging \$18 an hour at Caterpillar and \$13 at Staley — are still very high for the Midwest.
Realizing this, the workers will eventually give up their resistance, the companies say, overruling their unions in the process. The UAW at Caterpillar and the Allied Industrial Workers of America at Staley.
But what the companies overlook, say the unions, is that some of the new rules that they had imposed were weakening laws on workers' lives. Staley, for example, moved its production workers to 12-hour shifts — with three shifts one week and four the next — from five eight-hour shifts a week.

Japan Firm Buys Rights To Gitane
AMEX Wednesday's Closing

Table with columns: 12 Month High, Low, Stock, Div, Yld, PE, 1993 High, Low, Last, Chg. Lists various stocks and their performance.

Table with columns: 12 Month High, Low, Stock, Div, Yld, PE, 1993 High, Low, Last, Chg. Lists various stocks and their performance.

Table with columns: 12 Month High, Low, Stock, Div, Yld, PE, 1993 High, Low, Last, Chg. Lists various stocks and their performance.

Table with columns: 12 Month High, Low, Stock, Div, Yld, PE, 1993 High, Low, Last, Chg. Lists various stocks and their performance.

Table with columns: 12 Month High, Low, Stock, Div, Yld, PE, 1993 High, Low, Last, Chg. Lists various stocks and their performance.

AMEX Wednesday's Closing
TO OUR READERS IN SWITZERLAND
It's never been easier to subscribe and save. Just call our Zurich office toll free: 155 57 57 or fax: (01) 481 82 88.

Japan Firm Buys Rights To Gitanes

PARIS — Japan Tobacco will manufacture Gitanes blonde cigarettes, adapted for Japanese tastes, the French state-owned tobacco concern said Wednesday.

A Wealthy Li Leaves Prison Hong Kong Exchange's Ex-Chief to Retire

HONG KONG — Ronald Li, once the powerful and autocratic chairman of the Hong Kong Stock Exchange, walked out of prison Wednesday after serving two years and eight months and into a wealthy retirement.

Li, 63, told reporters as he left Stanley Prison on Hong Kong Island that he planned to play golf.

Walkouts Curtail Output at Hyundai

SEOUL — Workers on two shifts staged four-hour walkouts Wednesday at Hyundai Motor Co., crippling South Korea's largest auto factory.

The union wants a 16.5 percent pay increase. Management has offered less than 5 percent, a limit set by the government.

Investor's Asia. Table with columns for Hong Kong, Singapore, Tokyo, etc. and rows for various market indices and exchange rates.

TAIWAN: Authors of Economic Success Story Now Search for a Sequel

Continued from Page 1 such as Vietnam, the Philippines and China?

Taiwan's politicians are divided over what to do about China. The opposition parties favor full independence for Taiwan, a move that would amount to more than 40 years of Taipei claiming to be China's only legitimate government.

The new growth estimates, together with Taiwan's nearly full employment and an annual inflation rate of 3.1 percent posted during the first quarter, are still figures that nearly any Western economy would be glad to have.

Taiwan's success has been driven by its small and medium-sized groups. It is short on multinational firms with the critical mass required for marketing and research and development.

Manila Says Power Crisis To Ease in '93, End by '96

MANILA — The electric-power crisis in the Philippines will end by 1996, Energy Secretary Delfin Lorenza said Wednesday, and homes and small factories will see an end to daily power cuts late this year.

And eight industrial sectors can be assured of a reasonable reliability in the power supply for them to resume and continue their normal operations by the end of this year.

Very briefly: Japan's Ministry of International Trade and Industry said inventories fell in April but remained at high levels; industrial production, however, has been falling yearly for the past 26 months, a record.

AMEX Wednesday's Closing

Table listing stock prices for various companies on AMEX, including columns for High, Low, Close, and Change.

12 Month High Low Stock

Table listing 12-month high and low stock prices for various companies.

12 Month High Low Stock

Table listing 12-month high and low stock prices for various companies.

12 Month High Low Stock

Table listing 12-month high and low stock prices for various companies.

12 Month High Low Stock

Table listing 12-month high and low stock prices for various companies.

12 Month High Low Stock

Table listing 12-month high and low stock prices for various companies.

ART BUCHWALD

His Honor, the Rejected

WASHINGTON — There was a time when being appointed by the president to a high position was a badge of honor. No more. As soon as someone's name is announced for an important job, people start looking for a smoking gun.



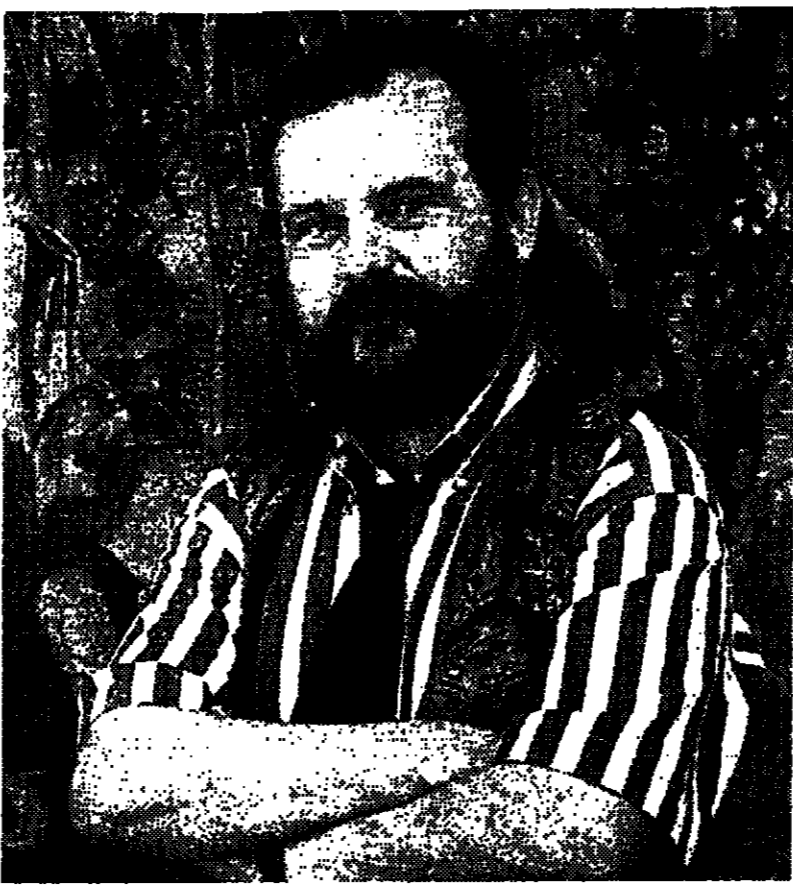
Buchwald

WASHINGTON — There was a time when being appointed by the president to a high position was a badge of honor. No more. As soon as someone's name is announced for an important job, people start looking for a smoking gun.

In Fiction, Finding the 'Voice' of Madness

By William Grimes

NEW YORK — Patrick McCabe is a quiet man who lobbed a small bombshell of a novel and is still reeling from the blast. Two years ago, he was teaching learning-disabled students in a London grade school, and writing a strange tale at night. It was called "The Butcher Boy," and it was a haunting narrative, told in the voice of a small-town Irish boy who descends into madness and commits an act of unspeakable violence, foreshadowed in the first sentence of the book: "When I was a young lad 20 or 30 or 40 years ago I lived in a small town where they were all after me on account of what I done on Mrs. Nugent."



Author Patrick McCabe: "At that point, I couldn't be kept from the page."

When I finished I thought it was so outlandish that no one would read it. When a reporter suggested that "The Butcher Boy," told through the psychologically warped consciousness of Francis, violated several cardinal principles of novel writing laid down by Henry James. McCabe scoffed. "That's a bunch of junk, class-based arrogant nonsense. I mean, James left America, felt there was nothing to write about because it didn't have dukes and earls. I'm sure I would be criticized, and I'm sure I wouldn't care."

PEOPLE

Elton John Heeds Faxes Of Disappointed Fans

Elton John, who bolted Tel Aviv early Wednesday in a fit of pique after having to wait more than an hour to get through customs at Ben-Gurion International Airport and facing aggressive photographers at a Tel Aviv hotel, has had a change of heart. After a shower of faxes from disappointed fans and a personal appeal by the British ambassador to Israel, Andrew Burns, John has rescheduled his canceled Wednesday concert to Thursday night.

Court Denies 2d Request For Matisse Paintings

PARIS — A French court rejected Wednesday a Russian heiress's request to impound 21 Matisse paintings on show in Paris, pending the outcome of her claim to property held by the Russian state.

The FBI was around talking to me about Lapchuck.

"I told them what they wanted to hear. Lapchuck was a closet mushroom grower, he had the British journal The Economist delivered to his house by mail, and he never flew the flag on the Fourth of July. I have a great deal of respect for the FBI, and if they are trying to get the goods on Lapchuck, I am going to help them all I can."

WEATHER

Table with weather forecasts for Europe, including cities like London, Paris, and Rome.

Forecast for Friday through Sunday, as provided by Accu-Weather. Includes maps of Europe and North America.

Table with weather forecasts for Asia, Africa, and Latin America, including cities like Tokyo, London, and Mexico City.

CROSSWORD

Crossword puzzle grid with clues for Across and Down. Includes a solution for the puzzle of June 16.

If you're going to travel all over the map, here's how to call from almost any point on it.



AT&T Access Numbers table listing international phone numbers for various countries like Jamaica, Mexico, and the UK.

AT&T puts the world at your fingertips. Just dial the AT&T access number of the country you're calling...

Vertical advertisement for 'Peace Plan' and 'Senate Panel Ready to Pass Finance Bill'.